

# To improve engagement, detail total rewards

No doubt you've heard departing employees who signed up for COBRA say, "I never knew health insurance cost so much!" Don't wait for employees to bolt before you communicate exactly how much their pay and benefits are really worth.

Regularly give employees clear statements that spell out exactly how much their compensation is worth.

A recent Aon Hewitt study says there's a strong correlation between employees' perceptions of their total compensation package and their degree of engagement at work. It found that 60% of "engaged employees" say their total rewards are above or well above what other employers offer. Only 24% of those who are disengaged say so.

Similarly, 51% of engaged employees view their organizations' career development and training programs as better than what other employers offer; only 19% of disengaged employees do.

Those differences matter in an era when relatively flat wage growth has made employees cynical. Couple that with a low unemployment rate, and you could be flirting with turnover trouble. Employees who don't appreciate the value of their total compensation are more likely to go in search of greener pastures elsewhere.

Improve engagement by doing a better job of explaining your total rewards practices. One good tool: An annual or semiannual total rewards statement for each employee that details the dollar value of each of these benefits:

- Wages, calculated yearly
- Insurance (health, dental, vision, life), emphasizing employer premiums paid
- Retirement plan contributions, emphasizing employer matches
- Paid leave, by category
- Education assistance benefits
- Parking and mass-transit subsidies
- Short/long-term disability
- Workers' comp contributions
- Social Security and unemployment taxes.

Keep the format simple and easy to understand. A straightforward list like the one above works well.

End with a summary statement that specifies the total dollar value to all wages and benefits. That's a number they'll keep in their heads when shopping for a new job.